

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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HEAD OF THE CYPRUS DELEGATION

It gives me particular pleasure and honour to address, on behalf of my country, such a distinguished gathering of the GATT CONTRACTING PARTIES. We must, however, from the outset of our statement, reiterate the conviction which most speakers share, that we are meeting at a time when the world trading system is threatened by some of the most serious dangers since the difficult times of the 1930s. The picture which emerges is of a world in deep recession, a world of negative growth rates, stagnation in world trade, resurgence of protectionist pressures, inflation, high unemployment and high interest rates.

Many of these problems no doubt adversely affect the industrialized countries, but their consequences are causing severe strain on the developing countries. Cyprus is also facing these and other problems which impair its efforts towards development. All these problems have resulted in a sharp fall in the purchasing power of the developing countries and have seriously constrained their economic growth and development. The lack of understanding of the problems of developing countries, aggravated by the current economic crisis, contrasts sharply with initiatives on matters which are alien to our pressing problems and to the scope of our institution. If the situation of the developing countries continues to deteriorate further, it will have serious implications to the world economy itself as it has, in recent years, been proved beyond any shadow of doubt that it is the dynamism of the developing countries that helped the world economy to avoid greater catastrophe. It was the liberal trade attitude of the developing countries which provided expanding markets to products from the developed world. It is therefore incumbent upon us to take bold initiatives to reverse these adverse trends, and, under the auspices of GATT, to work together so that the multilateral trading system and the basic philosophy upon which this system was built can make its distinctive contribution towards the solution of all these problems.

We feel it our duty to state that, despite shortcomings and limitations, the international trading system has not only survived during the last twenty-five years but it has, at times, accomplished some achievements because it relied on certain multilateral institutions of which GATT has been an important component.

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We earnestly believe that all CONTRACTING PARTIES to GATT have a profound interest in a strengthened multilateral trading system and we must all strive towards that end, but that any erosion of the effectiveness of this system is bound to affect adversely the interests of all countries, particularly the weaker ones. We should therefore lay special emphasis on the needs of developing countries, and we should ensure the implementation of Part IV to the General Agreement of 1965 which recognized that the developing countries required preferential treatment. Unfortunately we often bear witness to efforts by some to introduce measures which are contrary to the letter and spirit of the commitments contained in Part IV, they are inconsistent with the general provisions of GATT, as well as the 1963 Ministerial Declaration and the 1979 GATT work programme, and adversely affect the economies of developing countries. Particular care should be taken of developing countries depending on exports of agricultural products. The existing world climate is suffocating any efforts towards equitable solutions which would allow developing countries to continue to enjoy the treatment which will permit their steady and accelerated economic development.

The best way to promote the recovery of the world economy is not by asking the developing countries to do things that they cannot do or, placing barriers to the flow of their export trade but, by convincing the developed countries to do everything possible to facilitate the expansion of the developing countries' exports, and to improve the international trading system by bringing about the resumption of growth in international trade, and equitably apportioning the benefits to all developing and developed countries alike.